

Message Text

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PAGE 01 CARACA 06077 140020Z

12

ACTION EB-11

INFO OCT-01 ARA-16 ADP-00 COME-00 SCEM-02 TRSE-00 INT-08

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FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 543

C O N F I D E N T I A L CARACAS 6077

E.O. 11652 GDS

TAGS: ENRG VE

SUBJECT: AVAILABILITY OF LIQUIFIED PETROLEUM GAS

REF: STATE 131388

1. PETROLEUM INDUSTRY SOURCES HERE HAVE INFORMED EMBASSY THAT FOREIGN DEMAND FOR VENEZUELAN LPG VERY HEAVY OVER NEXT TWELVE MONTHS WITH VERY LITTLE SUPPLY UNCOMMITTED. STATUS OF LPG OF MAJOR SUPPLIERS ACCORDING TO INDUSTRY CONTACTS FOLLOWS:

2. CREOLE: (SUBSIDIARY OF EXXON): DAILY PRODUCTION APPROXIMATELY 18,000 B/D OF WHICH 3,000 SOLD DOMESTICALLY AND 15,000 FOREIGN. FOREIGN SHARE FULLY COMMITTED FOR BALANCE OF 1973 AND POSSIBLY FIRST HALF OF 1974. CURRENT FOB PRICE ESTIMATED BY CREOLE 11-13 CENTS PER GALLON; HOWEVER, PRICE EXPECTED TO RISE WITH INCREASED WORLD DEMAND.

3. SHELL: PRODUCTION APPROXIMATELY 16,500 B/D, ALL OF WHICH COMMITTED TO SUBSIDIARY WESTERN LPG. OF THIS PRODUCTION WESTERN LPG IS COMMITTED THROUGH FIRST QUARTER OF 1974. IN PRINCIPLE ONLY ONE MILLION BARRELS UNCOMMITTED FOR SECOND QUARTER 1974. SHELL CLAIMS TO HAVE TURNED DOWN 1,000 POTENTIAL BUYERS FOR

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PAGE 02 CARACA 06077 140020Z

FUTURE SUPPLY CONTACTS BASED ON ASSUMPTION WORLD PRICE

INCREASE. PRICE OF SHELL LPG, WHICH IS MIXED BUTANE
AND PROPANE, NOW 17.7 CENTS PER GALLON CIF GULF COAST
COMPARED TO 8 CENTS YEAR AGO.

4. PHILIPS, TEXACO, SUN OIL OF VENEZUELA: EACH PRO-
DUCING APPROXIMATELY 4,000 B/D, ALL OF WHICH REPORTEDLY
COMMITTED OVER NEXT TWELVE MONTHS.

5. CVP: NEWLY-CONSTRUCTED LPG PLANT AT EL TABLAZO
PETROCHEMICAL COMPLEX EXPECTED TO GO INTO PRODUCTION
END OF THIS YEAR OR EARLY 1974. 4,800 B/D PRODUCTION
OF MIXED LPG IS REPORTED FULLY COMMITTED FOR SALE IN
1974.
MCCLINTOCK

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